



TO: Members of the City Council Finance Committee
FROM: Terry Bailey, Director of Operations, Burlington Schools
SUBJECT: Follow Up Request from the Board of School Commissioners for Real Estate Transactions
DATE: June 21, 2013

The purpose of this follow up is to amplify the information received in the request on real estate transactions from the Board of School Commissioners from the June 17, 2013 City Council Board of Finance meeting.

The following pages provide a recap of the properties involved. The first attached page A – details graphically the proposed transactions, the value of the properties and the space.

Page B is a copy of a December 2012 memorandum written by Burlington architect, Colin Lindberg summarizing the review that he and his associates have done along with L.N. Consulting, Inc., an engineering firm on the condition of the St Joseph's School.

Page C is a comparison of the three properties for educational use at present condition.

Page D is the expenses projected for St. Joseph for general improvements for accessibility, safety and upgrades from funds provided by the lease. No bond would be required for this work.

Other questions or concerns that came from the June 17 BOF meeting include:

The use of the Colchester Avenue and South Williams Street property by the University. The institutional zoning of Colchester Avenue permits a wide range of uses but no decision has been made by UVM. Currently the University uses the wing of the building they own for Trinity Day Care and the Parking Enforcement Office. South Williams Street (Taft) is regulated by the will and deed restrictions. The lease will be cancelled if there is a violation that is not corrected within thirty days of notice.

The legality or ethical issue of a lease of Taft. Our attorney's understanding of the court order and a layman's read of the final declaratory judgment would indicate that we "...may enter into, and execute any lease(s) of the Elihu B. Taft school building and real property, without triggering the reversionary condition the Last Will and Testament...express terms requiring that the primary use of the building real property shall remain and continue to be for educational purposes..." Order of Judge Dennis R. Perason, September 18, 2008

Why exchange one old building for another old building? St. Joseph is nine years older than the Taft building. St Joseph is more than twice as large with usable space that is more accessible to individuals with disabilities currently than Taft. Energy costs per square foot between the two facilities indicate that Taft is three times more expensive to operate. Our assessment at this time is that St. Joseph's is significantly in better repair than the Taft building. Also refer to the attached Page C for the additional benefits of St. Joseph's as compared to Taft.

How are we going to use St Joseph's School? The Board of School Commissioners was unanimous in the real estate request. They are also committed to involving the community in educational planning that would involve this building located close to the center of Burlington. In the meantime, the administration, the Early Essential Education program, OnTop and Horizons would need new homes. The St. Joseph facility could meet those needs – housed at one facility.

The Board of School Commissioners respectively request authorization to proceed.

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OFFER from UVM

June 24, 2013 Updated Offer & Projections
Terry Bailey, Director of Operations

1.6 million for 80 year
Lease up front payment



2.0 million sale



2.0 million purchase



TRAFT

14 South Williams

≈24,500 sq. ft.

Lease to UVM

As part of package
in the cost of obtaining
Ira Allen Building

IRA ALLEN

150 Colchester Avenue

≈18,500 sq. ft.

Sell to UVM

ST JOSEPH

20 Allen Street

≈53,700 sq. ft.

Purchase by BSD

Building	Location	City Assessed Value	Allen/Brooks Appraisal	Cost - Terms Pricing	Square Footage	Projected Renovation Cost
Elihu B. Traft	14 South Williams St	\$3,333,300	\$1,100,000	1.6 million, 80 yr Up front lease UVM	24,500	UVM responsibility
Ira Allen - BSD	150 Colchester Ave.	\$2,043,100	\$1,350,000	2.0 million purchase By UVM, Rent free 1 year	18,500	UVM responsibility
St Joseph	20 Allen Street	\$6,826,100	\$2,000,000	2.0 million purchase By BSD	53,700	\$1.478,500

Colin P. Lindberg, Architect

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Memorandum

To: Terry Bailey
CC: Mark
From: Colin Lindberg
Date: 12/17/2012
Re: Saint Josephs School

After we reviewed the existing conditions at the School I think that the concept of acquisition and use for the centralization of facilities make good sense. The building has had several improvements over the years and the basic layout and structure appear in good shape and is almost a move-in condition.

The site provides good parking and has open space for playgrounds and is well protected from the adjacent streets. The location to Nearby Barnes allows shared programs and is in walking distance of the central part of down town.

The engineers report and our brief review of the general building indicate that some upgrades will be needed (ADA Elevator) and sound improvements for the core of the building. The overall location, scale and condition make it a good investment providing an agreement with the current owners can balance with the other properties that you are considering as a revision to holdings for the Burlington System.

I would be glad to meet to discuss the project in more detail.

Thanks

Colin enclosures:

Real Estate Transaction Fact Sheet

The Numbers

From UVM

Ira Allen Sale (portion not already owned by UVM) -- \$2.0 Million

Taft Lease (80 years, money up front) -- \$1.6 Million

St. Joseph's Purchase --

\$2.0 Million

St. Joseph's Upgrades (est.)

\$1.5 Million

Elevator, bathrooms,

The Facilities as currently configured:

	Ira Allen	Taft	Total BSD	St. Joseph's	
Sq. Feet	18,500	24,500	43,000	53,700	
Annual Utilities	\$50,321	\$39,309	\$89,630	\$27,440	
Classrooms	5	12	17	27	
Playground	yes	no		yes	
Stage	no	no		yes	
Gym	no	yes		yes	
Cafeteria	no	no		yes	

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PROJECTED - St. Joseph Renovations

24-Jun-13

**EXPENSE
St Joseph**

purchase	2,000,000	
elevator & shaft	260,000	general contractor
bathrooms	200,000	general contractor
sprinkler	252,000	includes \$40K if new water service required
kitchen hood	45,000	general contractor
Ventilation AC two floors	200,000	general contractor
Control valves, thermostats, central monitoring	90,000	Temperature Control of VT
Radiator enclosures	15,000	in house
Original boiler, asbestos abating, removal	15,000	Enviromental Hazards Management
Hot water heater replacement	8,000	in house
Room re-configurations	100,000	general contractor
Permits, legal fees (closings, lease) all	22,500	City fees & Attorney
Commerical movers Ira, Taft	25,000	TBD bid
Architect & Engineering Fees	119,000	
Security camera system, buzz in	8,000	in house
Contingency	119,000	
	ESTMATED	3,478,500

REVENUE

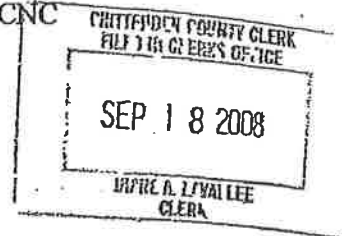
Lease Taft	1,600,000
Sell Ira Allen	2,000,000
TOTAL REVENUE	3,600,000
BALANCE	121,500

Tbailey/Operations08/StJoseph/CostvsRevenue

STATE OF VERMONT
CHITTENDEN COUNTY, SS.

CHITTENDEN SUPERIOR COURT
DOCKET NO. S1504-06 CNC

IN RE ESTATE OF ELIHU B. TAFT



FINAL DECLARATORY JUDGMENT

It is hereby adjudged, and declared that the City of Burlington, acting as the Burlington School District, and/or by or through its school department or other authorized entity or subdivision of the City of Burlington, may enter into, and execute any lease(s) of the Elihu B. Taft school building and real property, without triggering the reversionary condition of the Last Will and Testament of Elihu B. Taft (dated 1/19/27, as amended by Codicil dated 1/29/28), so long as any such lease(s) shall (A) be of definite duration, even though subject to extension; and (B) contain express terms requiring that the primary use of the building and real property shall remain, and continue to be for educational purposes. An outright sale, conveyance, or transfer of the fee simple estate in the subject property is not permitted by the Will, without invoking, and triggering the reversionary condition thereof.

This action is concluded.

IT IS SO ORDERED, at Burlington, Vermont, this 18th day of September, 2008.


Dennis R. Pearson, Presiding Judge